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SENATE BILL 245

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

MICHAEL S. SANCHEZ

FOR THE WATER, UTILITIES AND NATURAL RESOURCES COMMITTEE

AN ACT

RELATING TO RURAL ELECTRIC COOPERATIVES; AMENDING THE RURAL  
ELECTRIC COOPERATIVE ACT TO ALLOW MERGERS AND CONSOLIDATIONS  
WITH CERTAIN CORPORATIONS AND COOPERATIVES ORGANIZED UNDER THE  
LAWS OF ANOTHER STATE; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 62-15-2 NMSA 1978 (being Laws 1939,  
Chapter 47, Section 2, as amended) is amended to read:

"62-15-2. PURPOSE-- DEFINITION. -- Cooperative nonprofit  
membership corporations may be organized under the Rural  
Electric Cooperative Act for the primary purpose of supplying  
electric power and energy and promoting and extending the use  
of electricity in rural areas. Corporations organized under  
that act and corporations which become subject to that act in  
the manner provided in that act and for the purposes of

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1 Sections 62-15-13, 62-15-14, 62-15-15 and 62-15-19 NMSA 1978,  
2 corporations organized on a nonprofit or cooperative basis  
3 under the laws of another state for the primary purpose of  
4 supplying electric power or energy are referred to in the  
5 Rural Electric Cooperative Act as "cooperatives". "

6 Section 2. Section 62-15-15 NMSA 1978 (being Laws 1939,  
7 Chapter 47, Section 15) is amended to read:

8 "62-15-15. EFFECT OF CONSOLIDATION OR MERGER. -- The  
9 effect of consolidation or merger shall be as follows:

10 [~~(a)~~] A. the several cooperatives, parties to the  
11 consolidation or merger, shall be a single cooperative, which  
12 in the case of a consolidation shall be the new cooperative  
13 provided for in the articles of consolidation and in the case  
14 of a merger shall be that cooperative designated in the  
15 articles of merger as the surviving cooperative, and the  
16 separate existence of all cooperatives, parties to the  
17 consolidation or merger, except the new or surviving  
18 cooperative shall cease;

19 [~~(b) — Such~~] B. the new or surviving cooperative  
20 shall have all the rights, privileges, immunities and powers  
21 and shall be subject to all the duties and liabilities of a  
22 cooperative organized under the provisions of [~~this~~] the Rural  
23 Electric Cooperative Act [~~and~~]. It shall possess all the  
24 rights, privileges, immunities and franchises, [~~as well~~] of a  
25 public as well as of a private nature, and all property, real

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1 and personal, applications for membership, all debts due on  
2 whatever account and all other choses in action of each of the  
3 consolidating or merging cooperatives, and [ ~~furthermore all~~  
4 ~~and~~] every interest of or belonging or due to each of the  
5 cooperatives [ ~~so~~] consolidated or merged shall be [ ~~taken and~~]  
6 deemed to be transferred to and vested in [ ~~such~~] the new or  
7 surviving cooperative without further act or deed [ ~~and~~]. The  
8 title to any real estate, or any interest therein, under the  
9 laws of this state vested in any such cooperatives shall not  
10 revert [ ~~to~~] or be in any way impaired by reason of [ ~~such~~] the  
11 consolidation or merger;

12 [~~(c)~~ ~~Such~~] C. the new or surviving cooperative  
13 shall thenceforth be responsible and liable for all of the  
14 liabilities and obligations of each of the cooperatives [ ~~so~~]  
15 consolidated or merged, and any claim existing, or action or  
16 proceeding pending, by or against any of such cooperatives ~~may~~  
17 be prosecuted as if [ ~~such~~] the consolidation or merger had not  
18 taken place, but [ ~~such~~] the new or surviving cooperative ~~may~~  
19 be substituted in its place;

20 [~~(d)~~] D. neither the rights of creditors nor any  
21 liens upon the property of any of such cooperatives shall be  
22 impaired by [ ~~such~~] the consolidation or merger; and

23 [~~(e)~~] E. in the case of a consolidation, the  
24 articles of consolidation shall be deemed to be the articles  
25 of incorporation of the new cooperative; and in the case of a

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1 merger, the articles of incorporation of the surviving  
2 cooperative shall be deemed to be amended to the extent, if  
3 any, that changes [~~therein~~] in the articles of incorporation  
4 are provided for in the articles of merger. "

5 Section 3. EMERGENCY.--It is necessary for the public  
6 peace, health and safety that this act takes effect  
7 immediately.

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1 FORTY-THIRD LEGISLATURE

2 SECOND SESSION, 1998

3  
4  
5  
6 February 2, 1998

7  
8 Mr. President:

9  
10 Your COMMITTEES' COMMITTEE, to whom has been referred

11  
12 SENATE BILL 245

13  
14 has had it under consideration and finds same to be GERMANE,  
15 pursuant to Senate Executive Message No. 38, and thence referred to  
16 the JUDICIARY COMMITTEE.

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19 Respectfully submitted,

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25 Manny M. Aragon, Chairman

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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

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(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

S0245CC1

1 FORTY-THIRD LEGISLATURE

2 SECOND SESSION, 1998

3  
4  
5 February 6, 1998

6  
7 Mr. President:

8  
9 Your JUDICIARY COMMITTEE, to whom has been referred

10  
11 SENATE BILL 245

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13 has had it under consideration and reports same with recommendation  
14 that it DO PASS, and thence referred to the CONSERVATION  
15 COMMITTEE.  
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18 Respectfully submitted,

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23 Fernando R. Macias, Chairman  
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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

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Date \_\_\_\_\_

The roll call vote was 6 For 0 Against

Yes: 6

No: 0

Excused: Tsosie, Vernon

Absent: None

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1 FORTY-THIRD LEGISLATURE

2 SECOND SESSION, 1998

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5  
6 February 14, 1998

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8 Mr. President:

9  
10 Your CONSERVATION COMMITTEE, to whom has been referred

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12 SENATE BILL 245

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14 has had it under consideration and reports same with recommendation  
15 that it DO PASS.

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18 Respectfully submitted,

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23 Michael S. Sanchez, Chairman  
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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

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Date \_\_\_\_\_

The roll call vote was 6 For 0 Against

Yes: 6

No: None

Excused: Eisenstadt, Kysar, Macias, Tsosie

Absent: None

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[bracketed material] = delete

1 FORTY-THIRD LEGISLATURE  
2 SECOND SESSION, 1998  
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6 February 17, 1998  
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8 Mr. Speaker:  
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10 Your AGRICULTURE AND WATER RESOURCES COMMITTEE, to  
11 whom has been referred  
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13 SENATE BILL 245  
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15 has had it under consideration and reports same with  
16 recommendation that it DO PASS.

17 Respectfully submitted,  
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22 G. X. McSherry, Chairman  
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1 FORTY-THIRD LEGISLATURE  
2 SECOND SESSION, 1998

3 HAGC\SB 245

Page 12

4 Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

5 (Chief Clerk)

(Chief Clerk)

7 Date \_\_\_\_\_

9 The roll call vote was 8 For 0 Against

10 Yes: 8

11 Excused: Garnenez

12 Absent: None

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